

New No
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- B
#39

WHITE & CASE

1747 PENNSYLVANIA AVENUE, N W
WASHINGTON, D C
333 SOUTH HOPE STREET, LOS ANGELES
200 SOUTH BISCAYNE BOULEVARD, MIAMI
20 PLACE VENDÔME, PARIS
66 GRESHAM STREET, LONDON
BIRGER JARLSGATAN 14, STOCKHOLM

1155 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10036-2787
(212) 819-8200
FACSIMILE (212) 354-8113
TELEX 126201

20-5, ICHIBANCHO, CHIYODA-KU, TOKYO
15 QUEEN'S ROAD CENTRAL, HONG KONG
50 RAFFLES PLACE, SINGAPORE
CUMHURİYET CAĐDESI 12/10 İSTANBUL
ZIYA UR RAHMAN CAĐDESI 17/5 ANKARA
2013 WALI AL-AHD (P O BOX 2256), JEDDAH

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September 29, 1989

INTERSTATE COMMERCE COMMISSION

9-272A021

Office of the Secretary
Recordations Unit
Room 2303
Interstate Commerce Commission
12th and Constitution Avenue
Washington, D.C. 20423

RECORDATION NO 16552, X
FILED 1425
SEP 29 1989 -1 40 PM

INTERSTATE COMMERCE COMMISSION

Attention: Ms. Mildred Lee

RECORDATION NO 16552, B
FILED 1425
SEP 29 1989 -1 40 PM

INTERSTATE COMMERCE COMMISSION

Dear Ms. Lee:

Enclosed are an original and one certified true copy of each of the documents described below, to be recorded pursuant to 49 U.S.C. § 11303.

The first document, Lease Agreement No. 11, dated as of September 11, 1989, is a primary document. The names and address of the parties to such document are as follows:

The Connecticut National Bank
777 Main Street
Hartford, CT 06115

CSX Transportation, Inc.
100 N. Charles Street
Baltimore, MD 21201

The second document, Indenture and Security Agreement No. 11, dated as of September 11, 1989, is a primary document. The names and addresses of the parties to such document are as follows:

C. J. Kappeler

C. J. Kappeler

SEP 29 1989

SEP 29 1989 - 140 PM

INTERSTATE COMMERCE COMMISSION

LEASE AND INDENTURE SUPPLEMENT NO. 1

Dated September 29, 1989

Among

THE CONNECTICUT NATIONAL BANK,
not in its individual capacity but solely as trustee,
Lessor/Owner Trustee,

CSX TRANSPORTATION, INC.,
Lessee

and

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
not in its individual capacity but solely as trustee,
Indenture Trustee

SD40-2 LOCOMOTIVES

ALL RIGHT, TITLE AND INTEREST IN AND TO THIS LEASE AND INDENTURE SUPPLEMENT NO. 1 AND TO THE LOCOMOTIVES COVERED HEREBY ON THE PART OF THE CONNECTICUT NATIONAL BANK, AS OWNER TRUSTEE, HAS BEEN ASSIGNED TO AND IS SUBJECT TO A LIEN AND SECURITY INTEREST IN FAVOR OF MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, AS INDENTURE TRUSTEE UNDER AN INDENTURE AND SECURITY AGREEMENT NO. 11 DATED AS OF SEPTEMBER 11, 1989. TO THE EXTENT, IF ANY, THAT THIS LEASE AND INDENTURE SUPPLEMENT NO. 1 CONSTITUTES CHATTEL PAPER (AS SUCH TERM IS DEFINED IN THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN ANY APPLICABLE JURISDICTION), NO SECURITY INTEREST IN THIS LEASE AND INDENTURE SUPPLEMENT NO. 1 MAY BE CREATED THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART OTHER THAN THE ORIGINAL COUNTERPART THAT CONTAINS THE RECEIPT THEREFOR EXECUTED BY MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, AS INDENTURE TRUSTEE, ON OR IMMEDIATELY FOLLOWING THE SIGNATURE PAGE THEREOF.

FILED WITH THE INTERSTATE COMMERCE COMMISSION
PURSUANT TO 49 U.S.C. § 11303 ON _____, 1989
AT ____ A.M. RECORDATION NUMBER _____.

THIS LEASE AND INDENTURE SUPPLEMENT NO. 1, dated September 29, 1989, among THE CONNECTICUT NATIONAL BANK, a national banking association, not in its individual capacity but solely as Owner Trustee ("Lessor" or "Owner Trustee") under that certain Trust Agreement No. 11 dated as of September 11, 1989 (the "Trust Agreement") with FIRST BANK NATIONAL ASSOCIATION, a national banking association, CSX TRANSPORTATION, INC., a Virginia corporation ("Lessee") and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland trust company, not in its individual capacity but solely as Indenture Trustee (the "Indenture Trustee").

W I T N E S S E T H :

WHEREAS, Lessor, Lessee and the Indenture Trustee have, with the other parties thereto, heretofore entered into a Participation Agreement No. 11 (the "Participation Agreement"), Lessor and Lessee have heretofore entered into a Lease Agreement No. 11 (the "Lease") dated as of September 11, 1989, and the Indenture Trustee and Owner Trustee have heretofore entered into an Indenture and Security Agreement No. 11 (the "Indenture"), each dated as of September 11, 1989 (capitalized terms used herein without definitions having the respective meanings set forth in Appendix X to the Lease);

WHEREAS, the Participation Agreement and the Lease provide that on each Closing Date Seller shall deliver to Owner Trustee a Bill of Sale dated such date by which Seller bargains, conveys, assigns, sets over, sells and delivers to Owner Trustee, and Owner Trustee purchases and accepts from the Seller, the Locomotives to be conveyed on such Closing Date, and said Bill of Sale has been delivered by Seller and accepted by Owner Trustee on such Closing Date;

WHEREAS, the Participation Agreement, the Lease, and the Indenture provide for the execution of a Lease and Indenture Supplement substantially in the form hereof for the purposes of leasing the Locomotives under the Lease as and when delivered by Lessor to Lessee in accordance with the terms thereof and subjecting such Locomotives to the lien of the Indenture;

NOW, THEREFORE, in consideration of the premises and for good and sufficient consideration, Lessor, Lessee and Indenture Trustee hereby agree as follows:

1. Lessor hereby delivers and leases to Lessee, and Lessee hereby accepts and leases from Lessor, under the Lease as hereby supplemented, the Locomotives listed on Schedule 1 hereto.

2. Lessee hereby confirms to Lessor that Lessee has accepted such Locomotives for all purposes hereof and of the Lease as being in accordance with the Statement of Specifications attached as an exhibit to the Appraisal for such Locomotives and in good working order.

3. The aggregate Lessor's Cost of the Locomotives leased hereunder is \$6,200,000 and the amounts comprising such Lessor's Cost are set forth on Schedule 1 hereto. The Stipulated Loss Values, Termination Values and Basic Rent applicable in respect of the Locomotives are set forth, respectively, on Schedules 2, 3 and 4 hereto.

4. Lessee hereby confirms its agreement, in accordance with the Lease as supplemented by this Lease and Indenture Supplement No. 1, on the Basic Term Commencement Date to pay Interim Rent to Lessor for each Locomotive leased hereunder as provided for in the Lease and on each Payment Date during the Basic Term to pay Basic Rent to Lessor for each Locomotive leased hereunder as provided for in the Lease.

5. In order to secure the prompt payment of the principal of and Premium, if any, and interest on the Notes issued on the date hereof and on the other Notes, Lessor has granted, conveyed, pledged, sold, mortgaged, assigned, transferred and set over a security interest unto the Indenture Trustee in (i) the Locomotives listed on Schedule 1 hereto and (ii) this Lease and Indenture Supplement No. 1, in each case excluding Excepted Property and Excepted Rights, to have and to hold unto the Indenture Trustee and its successors and its assigns for its and their own use and benefit forever.

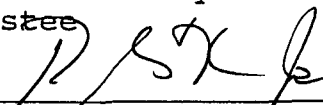
6. All of the provisions of the Lease and the Indenture are hereby incorporated by reference in this Lease and Indenture Supplement No. 1 to the same extent as if fully set forth herein.

7. This Lease and Indenture Supplement No. 1 may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, Lessor, Lessee and Indenture
Trustee have caused this Lease and Indenture Supplement No.
1 to be duly executed on the date and year set forth in the
opening paragraph hereof.

Lessor/Owner Trustee

THE CONNECTICUT NATIONAL BANK,
not in its individual capac-
ity but solely as Owner
Trustee

By 
Title: **PHILIP G. KANE, JR.**
VICE PRESIDENT

Lessee

CSX TRANSPORTATION, INC.

By _____
Title:

Indenture Trustee

[Corporate Seal]

Attest:

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY,
not in its individual capac-
ity but solely as Indenture
Trustee

By _____
Title: Assistant Corporate
Trust Officer

By _____
Title: Vice President

IN WITNESS WHEREOF, Lessor, Lessee and Indenture Trustee have caused this Lease and Indenture Supplement No. 1 to be duly executed on the date and year set forth in the opening paragraph hereof.

Lessor/Owner Trustee

THE CONNECTICUT NATIONAL BANK,
not in its individual capac-
ity but solely as Owner
Trustee

By _____
Title:

Lessee

CSX TRANSPORTATION, INC.

By A. J. Npton
Title: **Treasurer**

Indenture Trustee

[Corporate Seal]

Attest:

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY,
not in its individual capac-
ity but solely as Indenture
Trustee

By _____
Title: Assistant Corporate
Trust Officer

By _____
Title: Vice President

IN WITNESS WHEREOF, Lessor, Lessee and Indenture
Trustee have caused this Lease and Indenture Supplement No.
1 to be duly executed on the date and year set forth in the
opening paragraph hereof.

Lessor/Owner Trustee

THE CONNECTICUT NATIONAL BANK,
not in its individual capac-
ity but solely as Owner
Trustee

By _____
Title:

Lessee

CSX TRANSPORTATION, INC.

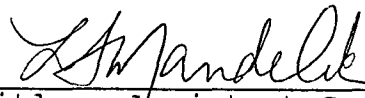
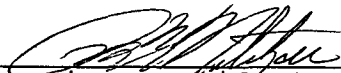
By _____
Title:

Indenture Trustee

[Corporate Seal]

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY,
not in its individual capac-
ity but solely as Indenture
Trustee

Attest:

By  By 
Title: Assistant Corporate Trust Officer Title: Vice President

STATE OF Connecticut)
COUNTY OF Hartford : ss.: Hartford)

On this 27th day of Sept, 1989, before me personally appeared Philip G. Kane Jr., to be personally known, who, being by me duly sworn, says that he is Vice President of The Conn Nat. Bank, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Debra A. Johnson
Notary Public

My Commission Expires:

[Notary Seal]

DEBRA A. JOHNSON
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1990

STATE OF MARYLAND)

: SS.:

CITY OF BALTIMORE)

On this 26th day of September, 1989, before me personally appeared A. B. Aftoora, to be personally known, who, being by me duly sworn, says that he is Treasurer of CSX Transportation, Inc., that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Karen Luebekusen
Notary Public

My Commission Expires: July 1, 1990

[Notary Seal]



SCHEDULE 1

SCHEDULE OF LOCOMOTIVES TO BE DELIVERED

<u>Quantity of Units</u>	<u>Serial Numbers</u>	<u>Lessor's Cost Per Unit</u>	<u>Aggregate Lessor's Cost</u>
8	*	\$ 775,000	\$6,200,000

* See tables attached hereto.

TRUST # 11 - LOCOMOTIVES

<u>INITIAL</u>	<u>NUMBER</u>
CSXT	8392
CSXT	8408
CSXT	8415
CSXT	8420
CSXT	8425
CSXT	8427
CSXT	8430
CSXT	8431

SCHEDULE 2
to
Lease and Indenture
Supplement No. 1

STIPULATED LOSS VALUE

If the event giving rise to an obligation to pay Stipulated Loss Value occurs and the actual date as of which the Owner Participant shall incur Federal income tax consequences shall be earlier or later than the date assumed in originally calculating the applicable Stipulated Loss Value, such value shall be appropriately adjusted, based upon the date as of which the Owner Participant incurred such tax consequences but otherwise on the same assumptions used to calculate the following values. In any case where Stipulated Loss Value shall be payable, there shall be added to the amount determined pursuant to the following schedule, the amount of premium and breakage costs, if any, payable in respect of the Notes.

Notwithstanding any provision in the Lease to the contrary, the parties hereto acknowledge and agree that the following table of Stipulated Loss Value percentages has been calculated without regard to payment of Basic Rent as of the applicable Payment Date. Accordingly, during the Basic Term, the Lessee shall also pay the Basic Rent with respect to such Unit due on the applicable Payment Date.

The Stipulated Loss Value set forth in this Schedule 2 shall be applicable in respect of the Locomotives leased hereunder on the date hereof.

<u>Payment Date</u>	<u>Percentage of Lessor's Cost</u>
June 15, 1990	106.82214%
December 15, 1990	108.34626%
June 15, 1991	108.44487%
December 15, 1991	109.88302%
June 15, 1992	109.64419%
December 15, 1992	110.41628%
June 15, 1993	109.06102%
December 15, 1993	109.26682%
June 15, 1994	107.55526%
December 15, 1994	107.60756%
June 15, 1995	105.58752%
December 15, 1995	105.58752%
June 15, 1996	103.37880%
December 15, 1996	103.37880%
June 15, 1997	100.96379%
December 15, 1997	100.96379%
June 15, 1998	98.32322%
December 15, 1998	98.32322%
June 15, 1999	94.44988%
December 15, 1999	94.31743%
June 15, 2000	89.22430%
December 15, 2000	89.26951%
June 15, 2001	83.65053%
December 15, 2001	83.82665%
June 15, 2002	77.80236%
December 15, 2002	78.13285%
June 15, 2003	71.67465%
December 15, 2003	72.18468%
June 15, 2004	65.26184%
December 15, 2004	65.97979%
June 15, 2005	58.55943%
December 15, 2005	59.51722%
June 15, 2006	51.56421%
December 15, 2006	52.79771%
June 15, 2007	44.27444%
December 15, 2007	45.82371%
June 15, 2008	36.87697%
December 15, 2008	38.14666%
June 15, 2009	28.72900%
December 15, 2009	29.69665%
June 15, 2010	20.00000%

SCHEDULE 3
to
Lease and Indenture
Supplement No. 1

TERMINATION VALUE

If the event giving rise to an obligation to pay Termination Value occurs and the actual date as of which the Owner Participant shall incur Federal income tax consequences shall be earlier or later than the date assumed in originally calculating the applicable Termination Value, such value shall be appropriately adjusted, based upon the date as of which the Owner Participant incurred such tax consequences but otherwise on the same assumptions used to calculate the following values. In any case where Termination Value shall be payable, there shall be added to the amount determined pursuant to the following schedule, the amount of any premium and breakage costs, if any, payable in respect of the Notes.

Notwithstanding any provision in the Lease to the contrary, the parties hereto acknowledge and agree that the following table of Termination Value percentages has been calculated without regard to payment of Basic Rent as of the applicable Payment Date. Accordingly, during the Basic Term, the Lessee shall also pay the Basic Rent with respect to such Unit due on the applicable Payment Date.

The Termination Value set forth in this Schedule 3 shall be applicable in respect of the Locomotives leased hereunder on the date hereof.

<u>Payment Date</u>	<u>Percentage of Lessor's Cost</u>
June 15, 1990	106.82214%
December 15, 1990	108.34626%
June 15, 1991	108.44487%
December 15, 1991	109.88302%
June 15, 1992	109.64419%
December 15, 1992	110.41628%
June 15, 1993	109.06102%
December 15, 1993	109.26682%
June 15, 1994	107.55526%
December 15, 1994	107.60756%
June 15, 1995	105.58752%
December 15, 1995	105.58752%
June 15, 1996	103.37880%
December 15, 1996	103.37880%
June 15, 1997	100.96379%
December 15, 1997	100.96379%
June 15, 1998	98.32322%
December 15, 1998	98.32322%
June 15, 1999	94.44988%
December 15, 1999	94.31743%
June 15, 2000	89.22430%
December 15, 2000	89.26951%
June 15, 2001	83.65053%
December 15, 2001	83.82665%
June 15, 2002	77.80236%
December 15, 2002	78.13285%
June 15, 2003	71.67465%
December 15, 2003	72.18468%
June 15, 2004	65.26184%
December 15, 2004	65.97979%
June 15, 2005	58.55943%
December 15, 2005	59.51722%
June 15, 2006	51.56421%
December 15, 2006	52.79771%
June 15, 2007	44.27444%
December 15, 2007	45.82371%
June 15, 2008	36.87697%
December 15, 2008	38.14666%
June 15, 2009	28.72900%
December 15, 2009	29.69665%
June 15, 2010	20.00000%

SCHEDULE 4
to
Lease and Indenture
Supplement No. 1

BASIC RENT

<u>Payment Date</u>	<u>Percentage of Lessor's Cost</u>
June 15, 1990	0.00000000%
December 15, 1990	3.73093862%
June 15, 1991	5.14427218%
December 15, 1991	3.66493594%
June 15, 1992	5.21027485%
December 15, 1992	3.59276862%
June 15, 1993	5.28244218%
December 15, 1993	3.51386086%
June 15, 1994	5.36134994%
December 15, 1994	3.42758312%
June 15, 1995	5.44762768%
December 15, 1995	3.33324704%
June 15, 1996	5.54196376%
December 15, 1996	3.23009997%
June 15, 1997	5.64511083%
December 15, 1997	3.11731896%
June 15, 1998	5.75789184%
December 15, 1998	2.99400421%
June 15, 1999	6.86734112%
December 15, 1999	2.94556999%
June 15, 2000	7.90190988%
December 15, 2000	2.56313933%
June 15, 2001	8.28434053%
December 15, 2001	2.28937985%
June 15, 2002	8.55810001%
December 15, 2002	1.98942159%
June 15, 2003	8.85805827%
December 15, 2003	1.66075733%
June 15, 2004	9.18672253%
December 15, 2004	1.30063990%
June 15, 2005	9.54683997%
December 15, 2005	0.90605922%
June 15, 2006	9.94142064%
December 15, 2006	0.47371718%
June 15, 2007	10.37376269%
December 15, 2007	0.00000000%
June 15, 2008	10.65974276%
December 15, 2008	0.00000000%
June 15, 2009	10.84747986%
December 15, 2009	0.00000000%
June 15, 2010	<u>10.84747986%</u>
TOTAL	199.99757311%